



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Cedar City Field Office
176 East DL Sargent Drive
Cedar City, Utah 84720

5/001/011

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DIVISION OF
OIL, GAS AND MINING

In Reply Refer To:
UT-040
3809: UTU-68565

January 28, 2000

Ms. Joelle Burns
State of Utah, Department of Natural Resources
Division of Oil, Gas, and Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801

Dear Ms. Burns:

This letter is in regard to an outstanding surety provided to cover mining related activities on BLM-managed Federal lands at the Ruby Violet Project site, located within T. 29 S., R. 14 W., Secs. 29 & 30, Beaver County, Utah. The surety consists of \$37,500 "interim surety bond" in the form of a check drawn on the National Bank of Canada for the Red Beryl mine projects formerly operated by Rancho Equipment Services, S/001/011, and Rex Harris, S/001/012.

This office has determined that the above mentioned surety has been superseded by a surety recently provided by Gemstone Mining Inc. to cover large mining operations permit M/001/045, the Ruby Violet Mine. As any and all reclamation liabilities outstanding under the \$37,500 surety has been fully incorporated within the M/001/045 surety, this office recommends that the prior surety be closed out at your earliest convenience.

For your information, this office will be incorporating all outstanding and future disturbances related to the Gemstone Mining's Ruby Violet Mine within BLM case file UTU-72232. Former red beryl mine projects S/001/011, Rancho Equipment Services, and S/001/012, Rex Harris, which were covered in our case files, UTU-68565 and UTU-68581, respectively, will be closed out effective immediately.

If you have any questions feel free to call me at (435) 865-3040.

Sincerely,

Ed Ginouves
Mining Engineer

xc: Rancho Equipment Service, P.O. Box 576, Delta, UT 84624